

**BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS**

In re:

NOTICE FILING)
REQUIREMENTS AND)
FEES FOR OFFERINGS)
UNDER RULE 506 OF)
REGULATION D OF THE)
SECURITIES ACT OF 1933)

Docket No. 99E005

**ORDER REGARDING NOTICE FILINGS
AND FEES FOR OFFERINGS OF
RULE 506 SECURITIES**

WHEREAS, section 18(b)(4)(D) of the Securities Act of 1933 ("33 Act") preempts the state regulation and registration of federally covered securities issued in exempt transactions under Rule 506 of federal Regulation D as provided under Section 4(2) of the 33 Act. Section 18(c)(2) of the 33 Act provides that states may continue to require filing of any document filed with the Securities Exchange Commission ("SEC") with respect to such securities and may continue to require payment of filing fees.

WHEREAS, pursuant to K.S.A. 1997 Supp. 17-1270a(b), effective July 1, 1997, the Kansas Securities Commissioner ("Commissioner"), by rules and regulation or by order, may require the issuer to file a notice on form D together with payment of a filing fee with respect to a covered security under Section 18(b)(4)(D) of the 33 Act.

WHEREAS, pending the adoption of permanent rules and regulation, the Commissioner deems it necessary to implement such requirement by order.

IT IS THEREFORE, BY THE COMMISSIONER ORDERED that the following requirements be adopted with respect to the offerings of securities under Rule 506 of federal Regulation D:

(A) Within 15 days after the first sale, in Kansas, of a federally covered security under Section 18(b)(4)(D) of the 33 Act, the following shall be filed by or on the behalf of the issuer:

(1) a copy of Form D, in accordance with the instructions to the form, as filed with the SEC, and

(2) a filing fee of \$100 payable to the Kansas Securities Commissioner.

(B) In order to be defined as a federally covered security, in relation to the provisions of K.S.A. 1997 Supp. 17-1255, the offering must be in compliance with federal Rule 506 in all material respects pursuant to Section 18(b)(4)(D) of the 33 Act.

(C) Section 18 (c)(1) of the 33 Act preserves the authority of the states to investigate and bring enforcement actions for fraud and deceit in connection with the securities or securities transaction. Therefore, the anti-fraud provisions of K.S.A. 17-1253 shall apply.

(D) The provisions of this order shall expire on the effective date of permanent rules and regulations adopted by the commissioner pursuant to K.S.A. 1997 Supp. 17-1270a(b).

BY THE COMMISSIONER IT IS SO ORDERED.

Entered at Topeka, Kansas this 1st day of July, 1998.

David R. Brant

David R. Brant
Securities Commissioner
State of Kansas